

CONTINUATION REVIEW: DMV Driver License Program

House Appropriations Subcommittee on Transportation

March 20, 2012



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Continuation Review “Basics”

- Oversight program established in 2007
- Evaluations conducted by State agencies at NCGA direction
- Demonstrate linkage between funding and program performance
- Assist in determining whether to continue, eliminate, reduce, or increase funding

Program Selection

- Driver License Program selected jointly
- Followed discussion of customer service improvements, alternate service delivery models, and potential funding reductions
- Goals?
 - Assess performance
 - Justify funding
 - Improve program efficiency & effectiveness

Study Directive

(S.L. 2011-145, Sec. 6.7.(c))

Report Requirements:

- Identify program mission, goals, and objectives;
- Identify non-statutory functions;
- Demonstrate extent to which objectives have been achieved;
- Identify performance measures and basis for determining efficiency and effectiveness;
- Recommend statutory, budgetary, or administrative changes to improve efficiency and effectiveness;

Study Directive

(S.L. 2011-145, Sec. 6.7.(c))

Report Requirements (cont'd):

- Identify the consequences of discontinued funding;
- Make recommendations to improve services or reduce costs; and,
- Identify pertinent policy issues and provide other necessary information to support the review.

Fiscal Staff Observations

Continuation Review meets minimum requirements, but does not:

- Comprehensively evaluate the performance of all organizational units;
- Establish the linkage between allocated resources and program outcomes; or,
- Fully explore the feasibility or appropriateness of proposed options.

Fiscal Staff Observations

- DMV Option: Increase license fees to offset costs incurred per longer service times for original transactions.
- Points for clarification:
 - Estimated cost differential per transaction type;
 - Level of proposed fee increase and estimated revenue;
 - Increase to current base fees, new fee, or surcharge; and,
 - Linkage to program efficiency/effectiveness.

Fiscal Staff Observations

- DMV Option: Authorize a convenience fee to offset transaction costs for online transactions.
- Points for clarification:
 - Requested legislative action, in lieu of the present authorization in G.S. 66-58.12;
 - Comparison of the proposed fee level to a revenue-neutral rate; and,
 - Utilization of excess revenue.

Fiscal Staff Observations

- DMV Option: Electronic distribution of driver license handbooks and charging for printed copies.
- Points for clarification:
 - Requisite investment to implement proposed web-based audio and video versions of driver tutorials;
 - Anticipated utilization; and,
 - Projected impacts on production requirements and estimated collections.

Fiscal Staff Observations

- DMV Option : Shift to a four-day work week, or weekend operation, to extend business hours beyond standard 8:00 am to 5:00 pm.
- Points for clarification:
 - Option which best meets projected peak and off-peak service requests;
 - Applicability across all locations;
 - Estimated cost of occasional weekend operation; and,
 - Other solutions?

Recommendations

1. Restore funding pending further evaluation.
2. Recommend JLPEOC consideration of the Driver License Services evaluation for inclusion in PED's 2012-13 Work Plan
 - Scheduling to coincide with Next Generation Secure Driver License System deployment
3. Consider agency recommendations for inclusion in the 2012 Budget.